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CALIFORNIA STATE ALLOCATION BOARD
PUBLIC MEETING

STATE CAPITOL
ROOM 4203
SACRAMENTO, CALIFORNIA 95814

DATE: WEDNESDAY, FEBRUARY 28, 2018
TIME: 4:03 P.M.

Reported By: Mary C. Clark
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1 APPEARANCES:

2 MEMBERS OF THE BOARD PRESENT:

3 JACQUELINE WONG-HERNANDEZ, Chief Deputy Director, Policy,
4 Department of Finance, designated representative for Michael
Cohen, Director, Department of Finance

5 JEFFREY McGUIRE, Chief Deputy Director, Department of General
6 Services, designated representative for Daniel Kim,
Director, Department of General Services

7 CESAR DIAZ, Appointee of Edmund G. Brown, Jr., Governor of
8 the State of California

9 JUAN MIRELES, Director, School Facilities and Transportation
10 Services Division, California Department of Education,
designated representative for Tom Torlakson, Superintendent
of Public Instruction

11 SENATOR JANET NGUYEN

12 SENATOR RICHARD PAN

13 ASSEMBLYMEMBER ROCKY CHAVEZ

14 REPRESENTATIVES OF THE STATE ALLOCATION BOARD PRESENT:

15 LISA SILVERMAN, Executive Officer

16 REPRESENTATIVES OF THE DEPARTMENT OF GENERAL SERVICES, OFFICE
OF PUBLIC SCHOOL CONSTRUCTION (OPSC) PRESENT:

17 LISA SILVERMAN, Executive Officer
18 BARBARA KAMPMEINERT, Deputy Executive Officer

19 REPRESENTATIVE OF THE DEPARTMENT OF GENERAL SERVICES,
OFFICE OF LEGAL SERVICES PRESENT:

20 TOM PATTON, Staff Counsel
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P R O C E E D I N G S

CHAIRPERSON WONG-HERNANDEZ: Good afternoon. It's now just slightly after 4:00. I would like to call the meeting of the State Allocation Board to order. Secretary, can you please call the roll.

MS. JONES: Certainly. Senator Allen.
Senator Nguyen.

SENATOR NGUYEN: Here.

MS. JONES: Senator Pan.
Assemblymember Nazarian.
Assemblymember Chavez.

ASSEMBLYMEMBER CHAVEZ: Here.

MS. JONES: Assemblymember O'Donnell.
Juan Mireles.

MR. MIRELES: Here.

MS. JONES: Cesar Diaz.

MR. DIAZ: Here.

MS. JONES: Jeffrey McGuire.

MR. MCGUIRE: Here.

MS. JONES: Jacqueline Wong-Hernandez.

CHAIRPERSON WONG-HERNANDEZ: Here.

MS. JONES: We have a quorum.

CHAIRPERSON WONG-HERNANDEZ: Great. Thank you.
So our next order of business is going to be to approve the

1 **Minutes** for the January 24th meeting. Is there any comment
2 from the Board? Everybody hopefully has looked at the
3 Minutes. Any comments from the public?

4 All right. Seeing none, is there a motion?

5 MR. DIAZ: Motion to adopt.

6 CHAIRPERSON WONG-HERNANDEZ: All right. Motion by
7 Mr. Diaz.

8 ASSEMBLYMEMBER CHAVEZ: Second.

9 CHAIRPERSON WONG-HERNANDEZ: Second by
10 Assemblymember Chavez. I'm sorry. Do I just -- without
11 objection?

12 MS. JONES: Yes. That will be fine.

13 CHAIRPERSON WONG-HERNANDEZ: Without objection,
14 the Minutes are approved. And next we have the **Executive**
15 **Officer's Report.**

16 MS. SILVERMAN: Yeah. Hi. We just want to
17 highlight a few things tonight. We have an upcoming bond
18 sale. The Treasurer has a public offering and that closes
19 March 15th. And with that, all those folks that actually
20 submitted a certification before the early part of December
21 will have the ability to compete for those bond funds.

22 So that's great news for the program. So that is
23 the spring bond sale that we'll be bringing back projects
24 and we'll be moving the meeting from March 28th to
25 March 21st so we can take action on that.

1 And the next highlight we'd like to share with the
2 Board that we had a Career Tech Education filing round and
3 that round was introduced in August by the Board. And we
4 had a number of applicants that came through Department of
5 Education.

6 There were 300 interested parties and with that,
7 there was a 181 folks that actually had a high enough score
8 to compete for those bond funds.

9 So there's 125 million that's in the bucket right
10 now for the competition of funds. And we closed up the
11 funding cycle. So districts had the ability to submit a
12 funding application as a result and we had 67 interested
13 parties that came in with the electronic filing -- online
14 filing applications. So that's great news -- out of 181.
15 So the rest came in via paper.

16 So we're excited about that opportunity and again,
17 we'll be working with the Department of Education on the
18 next filing round. And that's it.

19 CHAIRPERSON WONG-HERNANDEZ: Okay. Great. Any
20 questions or comments from the Board? Or any testimony from
21 the public?

22 Okay. Well, then moving right along. Go ahead.

23 MS. SILVERMAN: Yeah. It's the **Consent Agenda**,
24 but there is one slight change I wanted to highlight to the
25 Board on the Consent Agenda.

1 Page 10, we did receive communication late last
2 night from Petaluma City Elementary School District and they
3 requested to withdraw their application. So as part of the
4 Consent Agenda, we wanted to highlight to the Board that
5 that was the only item that wouldn't be subject to your
6 approval tonight. So they're technically withdrawing their
7 application.

8 CHAIRPERSON WONG-HERNANDEZ: Okay. Did they give
9 any reason or -- no? Okay. Go ahead, Barbara. Did you
10 want to say something?

11 MS. KAMPMEINERT: Yeah. The reason, they just
12 wanted to wait to a later date to --

13 CHAIRPERSON WONG-HERNANDEZ: Okay.

14 MS. KAMPMEINERT: -- establish new construction
15 eligibility.

16 CHAIRPERSON WONG-HERNANDEZ: All right. Thanks.
17 Okay. Well, is there any comment from the Board on the
18 Consent Agenda specifically, and then any questions or
19 comments from the public?

20 All right. Then can I get a motion on the Consent
21 Agenda?

22 MR. DIAZ: So moved.

23 CHAIRPERSON WONG-HERNANDEZ: Moved by Mr. Diaz.

24 MR. MIRELES: Second.

25 CHAIRPERSON WONG-HERNANDEZ: And second by

1 Mr. Mireles. And without objection, we'll adopt the Consent
2 Agenda.

3 Okay. Next I've got **Financial Reports**.

4 MS. SILVERMAN: Yeah. On the financials, just
5 wanted to highlight to the Board -- actually on page 71 that
6 we did release \$18.8 million in January 2018 and that was
7 probably the last of the funds that were released as a
8 result of the September apportionment.

9 So we wanted to share that with the Board as well.
10 As far as the status of funds, on page 73 and 74, we did
11 want to highlight to the Board as part of the Consent
12 Agenda, there's \$41 million of approvals and as a result of
13 adjustments and grant approvals and that represents 29
14 projects.

15 And also as far as adjustments for closeouts and
16 increases -- grant increases, there were \$1.2 million of
17 those project approvals and that represents 13 projects. So
18 that's the highlight for the financials.

19 On page 89(a), we did want to share with the Board
20 that we added another chart and it's been great information
21 as far as I know Senator Pan wanted a little bit more in
22 depth about --

23 CHAIRPERSON WONG-HERNANDEZ: I think he'll be
24 joining us.

25 MS. SILVERMAN: Yeah.

1 CHAIRPERSON WONG-HERNANDEZ: We'll let him know.

2 MS. SILVERMAN: So we wanted to highlight that
3 there's a new chart there and that just breaks out the pupil
4 population for the State of California and how the funds are
5 being disbursed out of Prop. 51.

6 CHAIRPERSON WONG-HERNANDEZ: Thank you. That's
7 really helpful. Any questions or comments from Board
8 members? And then any public comment on this item?

9 Okay. The next item we had on the agenda was
10 appeals, but as has been -- hopefully everyone's aware that
11 the appeal item has been withdrawn for now, and so we may
12 hear that at some future time but not today.

13 And then we'll move onto action items. Go ahead.

14 MS. KAMPMEINERT: So in Tab 7, we have our action
15 item today which is the **balance of the funding being awarded**
16 **to charter schools for preliminary charter school**
17 **apportionments.**

18 So in this item, we are recommending Board
19 approval of 24 unfunded preliminary charter school
20 apportionments in the amount of a little over \$263 million.
21 And on page 101 of the item, we have included a table that
22 shows the available funding under the Charter School
23 Facility Program.

24 We had Proposition 51 funding and then there is a
25 little bit from each of the earlier propositions that had

1 charter school funds as well, and we are recommending to use
2 those funds for this round as well.

3 You'll note that there is 287.4 million available
4 and we're recommending approval of 263 million. The
5 distinction there is that we cannot fully fund the next
6 projects in line.

7 We are, however, asking in our third
8 recommendation that the Board allow this round to remain
9 open through the balance of 2018 in the event that
10 additional bond authority returns to the program either
11 through project rescissions, through loan repayments, or for
12 projects that come in under what was reserved for them
13 initially so that we can continue to fund down the list of
14 applications that are included on Attachment C.

15 There's over a hundred applicants that we did not
16 have sufficient funding for, so we're recommending that we
17 give them the opportunity if sufficient funding becomes
18 available in 2018.

19 And also on page 108, just to draw your attention
20 to the funding matrix and this list shows all of the
21 projects that are receiving funding under this filing round.
22 Those in white, the Board approved at the January meeting
23 last month and those shaded in yellow are presented today
24 for approval for preliminary charter school apportionment.
25 And I'd be happy to answer any questions.

1 CHAIRPERSON WONG-HERNANDEZ: Any questions from
2 the Board? Okay. Any public comment or questions on this
3 item? Okay. Then I think we'll entertain a motion.

4 MR. DIAZ: So moved.

5 CHAIRPERSON WONG-HERNANDEZ: All right. Mr. Diaz
6 moves the item.

7 ASSEMBLYMEMBER CHAVEZ: Second.

8 CHAIRPERSON WONG-HERNANDEZ: And Assemblymember
9 Chavez seconds. Let's go ahead and do a voice vote on this
10 and we're going to give Senator Pan an opportunity to add on
11 when he joins us.

12 MS. JONES: Okay. Great. Senator Nguyen.

13 SENATOR NGUYEN: Aye.

14 MS. JONES: Okay. Thank you. Assemblymember
15 Chavez.

16 ASSEMBLYMEMBER CHAVEZ: Aye.

17 MS. JONES: Juan Mireles.

18 MR. MIRELES: Aye.

19 MS. JONES: Cesar Diaz.

20 MR. DIAZ: Aye.

21 MS. JONES: Jeffrey McGuire.

22 MR. MCGUIRE: Aye.

23 MS. JONES: Jacqueline Wong-Hernandez.

24 CHAIRPERSON WONG-HERNANDEZ: Aye.

25 MS. JONES: Motion carries with the vote open.

1 CHAIRPERSON WONG-HERNANDEZ: Thank you. So we'll
2 allow Senator Pan to add on. We'll hold the actual vote
3 roll open. Okay. So moving onto Tab 8.

4 MS. SILVERMAN: Next we have just the **information**
5 **item** on the workload list and the appeals log. So with
6 that, we'll open it up for questions.

7 CHAIRPERSON WONG-HERNANDEZ: Did anybody have any
8 questions on Tab 8? No. Okay. Any public comment on this
9 item or any public comment on any other items not on the
10 agenda?

11 Okay. Seeing none, we're going to -- I don't have
12 any other business here, but we are going to -- we're not
13 going to formally adjourn, allowing Senator Pan the
14 opportunity. So I don't want to hold everybody here,
15 though. What's --

16 (Off record from 4:12 p.m. until 4:13 p.m.)

17 MS. JONES: Senator Pan, how do you vote on the
18 Minutes?

19 SENATOR PAN: Aye.

20 MS. JONES: Thank you. How do you vote on the
21 Consent Agenda?

22 SENATOR PAN: Aye.

23 MS. JONES: Thank you. And also how do you vote
24 on the CSFP action item?

25 SENATOR PAN: Aye.

1 MS. JONES: Thank you very much.

2 SENATOR PAN: All right. Thank you.

3 CHAIRPERSON WONG-HERNANDEZ: Thank you. And that
4 concludes the State Allocation Board meeting. We are
5 adjourned.

6 (Whereupon, at 4:14 p.m. the proceedings were
7 adjourned.)

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REPORTER'S CERTIFICATE

STATE OF CALIFORNIA)
) ss.
COUNTY OF SACRAMENTO)

I, Mary C. Clark, a Certified Electronic Court Reporter and Transcriber, Certified by the American Association of Electronic Reporters and Transcribers, Inc. (AAERT, Inc.), do hereby certify:

That the proceedings herein of the California State Allocation Board, Public Meeting, were duly reported and transcribed by me;

That the foregoing transcript is a true record of the proceedings as recorded;

That I am a disinterested person to said action.

IN WITNESS WHEREOF, I have subscribed my name on March 1, 2018.

Mary C. Clark
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